

Corporate governance

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Discussion with Outside Board Members



Michitaka Sawada
Outside Director

Kotaro Ohno
Outside Audit & Supervisory Board Member

At Komatsu, the Board of Directors is a central component of corporate governance systems, and improvements to the effectiveness of the Board of Directors are being prioritized accordingly. The following is a discussion with Outside Director Michitaka Sawada and Outside Audit & Supervisory Board Member Kotaro Ohno in which they offer their opinions about corporate governance at Komatsu and the challenges it will need to overcome in order to heighten corporate value going forward.

Q What are your thoughts with regard to the atmosphere and corporate culture at Komatsu?

Ohno: I have served as an Outside Audit & Supervisory Board Member since June 2017. Komatsu strikes me as earnest, study and strong company. With my 40-year history as a public prosecutor, I place a lot of emphasis on compliance. It is difficult for any company to avoid all of the potential issues that could occur during the course of business. Komatsu, fortunately, is swift to report any serious issue that may arise to the Board of Directors. It also makes steadfast efforts to prevent issues through the institution of internal reporting

system, the regular compliance surveys, and the issuance of compliance newsletters. Moreover, SLQDC (Safety, Law, Quality, Delivery, and Cost) policies have been established defining priorities for employee actions. These policies have cultivated a consistent stance toward tackling new issues that has granted Komatsu an even greater sense of integrity. This stance is a large contributor toward the soundness of the Company's management.

Sawada: If I were to try to describe Komatsu in the fewest possible words, I would say that it is bold yet meticulous. I was involved in research at Kao Corporation for 32 years. As a result, research and development is a core part of who I am.

After becoming an Outside Director at Komatsu last year, I have had the opportunity to visit some of the Company's factories and research and development organizations. There, I was able to witness the bold and aggressive approach employees take toward developing new technologies and operational systems in pursuit of lofty targets related to product development and productivity improvement. At the same time, I noticed steadfast improvement efforts aimed at ensuring safety and improving quality. In this manner, Komatsu takes a meticulous and determined approach toward improving corporate value through manufacturing and technology innovation and the commitment to quality and reliability described in Komatsu's management principle. I hope that people at Komatsu will continue this approach going forward.

Q How would you evaluate the effectiveness of the Board of Directors at Komatsu?

Ohno: At Komatsu, meetings of the Board of Directors start with a report from the President & CEO in which he reports on important management matters. These matters include previews of the agenda items to be discussed at the meeting, newly emerging causes for concern, and information on interactions with investors, customers, distributors, suppliers, and other stakeholders. If there are matters that are cause for concern, these are explained upfront based on a stance of putting the bad news first. These reports from the President & CEO are a venue through which the executive management team provides important information to the members of the Board in a timely manner. This openness ensures that there are no surprises for us Outside Board Members and thereby helps greatly improve the effectiveness of corporate governance.

Sawada: Putting bad news first means that Board members are able to offer advice or point out issues at an earlier stage of the situation. The President's ability to take this stance of quickly communicating undesirable realities is due to his trust in the members of the Board.

Ohno: Discussions at meetings of the Board of Directors are quite extensive and fulfilling. The Directors and Audit & Supervisory Board Members voice opinions based on the insight and experience gained through their respective backgrounds, and I often find myself learning a lot from these discussions. Komatsu's Board has a policy of not limiting discussion time, which means we can delve as deep into matters as we need to ensure that everyone is convinced.

Sawada: Our ability to immerse ourselves in discussions is due in part to the hard work of the Secretariat of the Board of Directors and the people who give us briefings. Materials pertaining to Board meetings are distributed well in advance

and sometimes even include videos, which is really helpful to our understanding of the issues at hand. Outside Board Members still in their first year are given the opportunity to receive pre-meeting briefings on the backgrounds and assumptions in relation to specific agenda items. On the day of a meeting, we receive a simple explanation of agenda items through an executive summary of the meeting materials and then we jump into discussions. Even if there are a lot of agenda items, we are able to work through them efficiently thanks to being able to really focus on discussions.

Ohno: Evaluations of the effectiveness of the Board of Directors deliver high assessments every time. Regardless, Komatsu never becomes complacent with these results and is always searching for ways to better facilitate discussions. I am quite impressed with this diligence.

Sawada: If we liken the Board of Directors to a parent and the executive management team to its children, that would mean an effective Board of Directors is one that properly does the job of a parent. As the parent, the Board should provide advice to the executive management team, push them in the right direction, or tell them to stop when needed. If one's children grow to become capable adults, that means they properly did their job as a parent. Similarly, if the executive management team takes the right course, it means that the Board of Directors is effective. Executive officers overseeing major business areas attend meetings of the Board of Directors, which enables such members of the executive management team adopt the suggestions raised at Board meetings and put them into action. Such coordination between the Board of Directors and the executive management team is emblematic of a healthy parent-child relationship, to continue the prior metaphor.

Ohno: I totally agree. If we Outside Board Members come to completely share the perspective of the executive management team and employees, we will be unable to fulfill our role. This is why we need to maintain a separate perspective based on the standpoint of external stakeholders. I hope that the executive management team will seek to make even greater use of Outside Board Members as the questions and input of such Members can bring new discoveries and cast light on previously unidentified issues.

Q What are your opinions of Komatsu's sustainability initiatives and the challenges it faces in this regard?

Ohno: Komatsu's business is truly matched to the current era, which is characterized by a focus on sustainability. The Company does not just supply construction equipment, it also provides software and solutions that utilize data in its efforts to realize the safe, highly productive, smart and clean workplaces of the future. Workplaces around the world are

Discussion with Outside Board Members



Michitaka Sawada
Outside Director

Career History

4/1981	Joined Kao Soap Co., Ltd. (currently Kao Corporation)
6/2006	Took office as Executive Officer of Kao Corporation
6/2008	Took office as Director, Executive Officer of Kao Corporation
6/2012	Took office as Representative Director, President and Chief Executive Officer of Kao Corporation
1/2021	Took office as Director, Chair of Kao Corporation (current)
6/2022	Took office as Director of the Company (current)

Kotaro Ohno

Outside Audit & Supervisory Board Member

Career History

4/1976	Appointed as Prosecutor
7/2009	Took office as Vice-Minister of Justice
7/2012	Took office as Superintending Prosecutor of Tokyo High Public Prosecutors Office
7/2014	Took office as Prosecutor-General of Supreme Public Prosecutors Office
9/2016	Retired from the position of Prosecutor-General of Supreme Public Prosecutors Office
11/2016	Attorney at law, Special Counsel of Mori Hamada & Matsumoto (current)
6/2017	Took office as Audit & Supervisory Board Member of the Company (current)
1/2023	Took office as advisor of Atsumi & Sakai (current)



Anticipating Komatsu to continue to enhance its intelligence and integrity while making workplace operations smarter.

facing issues related to safety, eco-friendliness, and labor shortages. If Komatsu is able to continue fulfilling its role in supporting society as a piece of infrastructure for use by such workplaces, it should contribute to the sustainable growth of the Company.

Sawada: Komatsu takes a humble and earnest approach toward sustainability, incorporating it into its management. Looking at its efforts through the framing of ESG, the Company conducts environmental initiatives to contribute to decarbonization by providing customers with options they can choose based on their specific environmental needs. As for social initiatives, Komatsu strives to achieve excellence when it comes to respecting human rights issues, raising employee engagement, and empowering female employees.

Ohno: The United Nations Sustainable Development Goals are gaining increasing attention, which is also making all the more clear the significance of the steps Komatsu has taken thus far. In terms of production and sales, Komatsu is proactively pursuing carbon neutrality by reducing its own CO₂ emissions while helping lower emissions from customer workplaces. In addition, its forestry machinery business contributes to the mechanization of sustainable forestry processes, which in turn revitalizes forests and allows them to absorb greater quantities of CO₂.

Moreover, as Komatsu is developing its business on a global scale, it must pay particular attention to human rights issues across its supply chain. The Company has begun conducting human rights due diligence activities overseas. Going forward, it will be important for Komatsu to remain

highly receptive toward issues of global interest and to take an earnest stance toward responding to such issues.

Sawada: There are two important points to consider in practicing effective sustainability management. The first point is to position sustainability at the center of management. Sustainability is not just about contributing to society; it also entails linking a company's business to sustainability and making it a core element of its business. The second point is to make sure that all employees understand sustainability and exercise this understanding at their respective workplaces. I hope that Komatsu will remain mindful of these two points as it works to generate a positive cycle for resolving ESG issues and improving earnings to achieve sustainable growth by creating value for customers, which is the basic concept of its growth strategies.

Q What challenges will Komatsu need to tackle over the medium to long term in order to improve corporate value?

Sawada: I see three challenges that will need to be tackled to improve corporate value. The first challenge is strengthening businesses that will contribute to the resolution of global environmental and social issues. Clear examples of such businesses are the forestry machinery business and the underground hard rock mining equipment business. There are also opportunities for construction equipment to be used to respond to natural disasters, such as forest fires and floods, by helping with restoration and recovery. The second

Expecting Komatsu to communicate its roles for the resolution of social issues more proactively

challenge will be enhancing visualization of its corporate activities. It is important for a wide range of stakeholders to understand Komatsu's activities. Accordingly, the Company should devote efforts to further improve corporate communications to foster such an understanding. The third challenge will be recruiting talented individuals and promoting diversity and inclusion. Komatsu still has a lot of room for improvement in this regard. I expect Komatsu to further pursue a company of intelligence and integrity by tackling these challenges.

Ohno: Komatsu has superior technological capabilities and a global business that contributes to the resolution of social issues. Unfortunately, though, Komatsu does not appear so prominently in rankings of popular companies to work at, which seems to indicate that these qualities are not particularly well known. Companies have to compete to recruit talented human resources, and succeeding in this competition requires that a company inspire a wide range of people to take interest in it. I therefore think it is important for Komatsu to improve its ability to convey such a message and raise its profile, in order to communicate its role in society to a wider range of stakeholders.

Sawada: Rather than taking a reserved approach toward presenting its activities to external stakeholders, I feel that Komatsu should be more proactive in this regard. If Komatsu is more aggressive in broadcasting the role it fulfills in society, it will help improve its reputation among external stakeholders while also contributing to higher levels of motivation and engagement for employees.

Q Lastly, what are your expectations for Komatsu going forward?

Ohno: It is mainstream for Komatsu to continue its efforts to contribute to the resolution of social issues through its business activities. The social role played by Komatsu is growing increasingly more important, particularly with regard to addressing labor shortages at construction and mining workplaces, improving workplace safety and productivity, and promoting decarbonization. Also, given that two-thirds of Komatsu Group employees work in countries other than Japan, I think the Company should provide more opportunities to non-Japanese employees when it comes to their career development in order to become a truly global company.

Sawada: As a business-to-business company, Komatsu provides the behind-the-scenes support that is crucial to a myriad of industries. The workplaces Komatsu serves all present difficult conditions. Fortunately, Komatsu has a history of making workplace operations smarter through the use of technologies like Komtrax and its autonomous haulage system. I want Komatsu to continue to evolve as an intelligent company with integrity to ensure that it is always trusted by its stakeholders. Moreover, I hope that this process will make it so that all Komatsu Group employees can feel pride in their company.

Corporate governance

Basic views on corporate governance

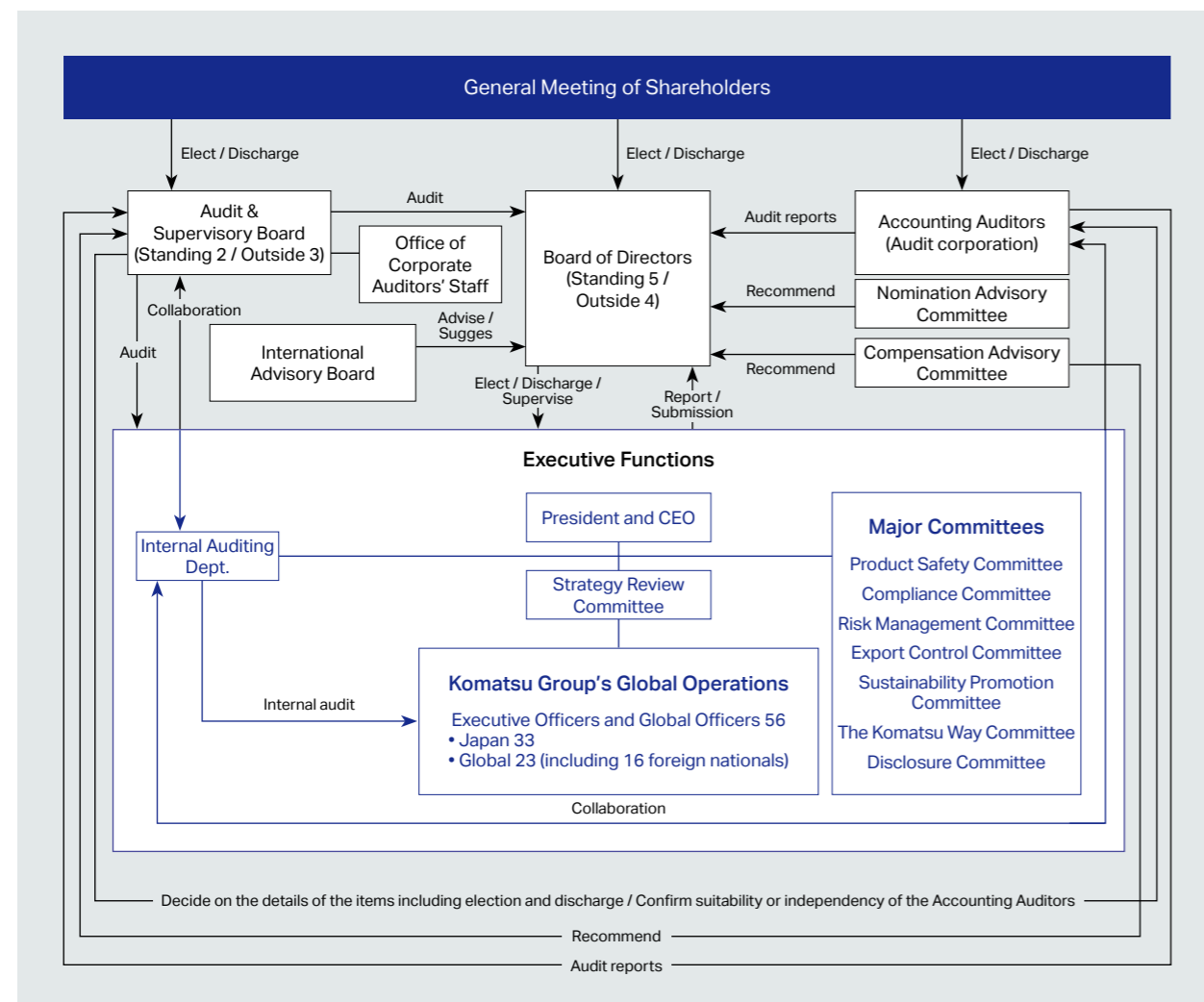
We believe that corporate value represents the total sum of trust the greater society and our stakeholders place in Komatsu. To become a company that enjoys more trust from shareholders and all other stakeholders, Komatsu is working to strengthen corporate governance, improve management efficiency, advocate corporate ethics, and ensure sound management on a group-wide basis. To further improve the transparency of management for its shareholders and investors, the Company discloses information in a fair and timely manner and actively engages in investor relations activities by holding meetings with shareholders and investors.

Corporate governance framework

At the Company, the Board of Directors is positioned as the core of corporate governance, and to improve the effectiveness of discussions at meetings of the Board of Directors, the Company has worked to put in place a system to ensure thorough discussions of important management matters and prompt decision-making, and reform their operational aspect. Having introduced the Executive Officer (Shikko Yakuin)

System in 1999, the Company has separated management decision-making and supervisory functions from executive functions to the extent permitted by laws and regulations, and while appointing both Outside Directors and Outside Audit & Supervisory Board Members, limits the Board of Directors to a small number of members.

Corporate governance of the company (As of June 30, 2023)



Corporate governance reforms

The Company has proceeded to implement reforms to its corporate governance system in order to ensure effective and adequate performance of matters related to management decision-making and oversight. Specific reforms have included separation of corporate management from business execution, enhancement of corporate management decision-making by the Board of Directors, strict management and supervision of business execution, measures undertaken by Outside Directors to improve transparency and objectivity of management, and measures undertaken by the Audit &

Supervisory Board to appropriately audit Directors' execution of duties. In addition, the Company established the International Advisory Board (IAB) in 1995. Through the IAB, the Company aims to secure objective advice and suggestions from experts from Japan and abroad about how to function as a global company by exchanging opinions and holding discussions. Going forward, the Company will pursue increases to the effectiveness of the Board of Directors while appointing Outside Directors to ensure transparency and soundness and promoting openness and accountability in management.

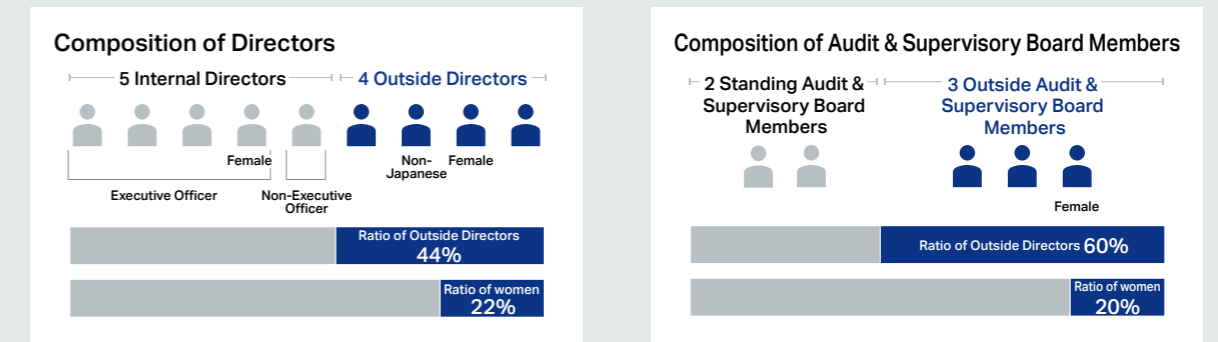
Board of Directors



Audit & Supervisory Board



Composition of Directors and Audit & Supervisory Board Members (As of June 30, 2023)



Other organizations and systems

Organization / System	Establishment	Overview
Nomination Advisory Committee	2015	The Nomination Advisory Committee discusses matters related to the nomination of candidates for positions as Directors and Audit & Supervisory Board Members and the appointment and dismissal of the President and other executive officers and reports the results of these discussions to the Board of Directors. Current members: Four Outside Directors, including the chairperson; one Outside Audit & Supervisory Board Member; and Chairman of the Board
Compensation Advisory Committee	1999	The Compensation Advisory Committee is responsible for discussing policies and levels for compensation of Directors and Audit & Supervisory Board Members and reporting the results of these discussions to the Board of Directors and the Audit & Supervisory Board. Current members: Four Outside Directors, including the chairperson; three Outside Audit & Supervisory Board Members; one external expert; and one internal member
International Advisory Board	1995	The International Advisory Board was established with the purpose of incorporating the objective advice and suggestions of external experts on the management and corporate activities expected of a global company into the discussions of the Board of Directors.
Executive Officer System	1999	An Executive Officer (Shikko Yakuin) System was introduced in 1999 to separate supervisory functions from executive functions. This system has enabled the Company to limit the Board of Directors to a small number of members.
Global Officers	2016	Global officers are appointed to senior management positions at major overseas subsidiaries to facilitate the consolidated management of the Komatsu Group.

Corporate governance

The Board of Directors

The Company holds Board of Directors' meetings periodically, at least once every month. The Board of Directors deliberates and makes resolutions on important matters, determines management policies of Komatsu, and rigorously controls and supervises the execution of duties by all members of the executive management team including Representative Directors. Of the nine (9) Directors on the Board, four (4) are Outside Directors to ensure transparent and objective management.

The names of the members of the Board of Directors are as listed in "Activities of the Board of Directors" below, and the Chairman of the Board chairs meetings of the Board of Directors.

The Board of Directors make decisions on important management matters based on the Standards for Matters to

Activities of the Board of Directors

During FY2022, the Company held 15 meetings of the Board of Directors, and the attendance of individual directors is shown as follows.

Position	Name	Frequency	Attendance rate
Chairman of the Board	Tetsuji Ohashi	15	100%
President and CEO	Hiroyuki Ogawa	15	100%
Representative Director	Masayuki Moriyama	15	100%
Representative Director	Kiyoshi Mizuhara	15	100%
Director	Takeshi Horikoshi	15	100%
Outside Director	Makoto Kigawa	4	100%
Outside Director	Takeshi Kunibe	13	86%
Outside Director	Arthur M. Mitchell	15	100%
Outside Director	Naoko Saiki	15	100%
Outside Director	Michitaka Sawada	11	100%
Standing Audit & Supervisory Board Member	Terumi Sasaki	15	100%
Standing Audit & Supervisory Board Member	Yasuhiro Inagaki	14	93%
Outside Audit & Supervisory Board Member	Hirohide Yamaguchi	4	100%
Outside Audit & Supervisory Board Member	Eiko Shinotsuka	14	93%
Outside Audit & Supervisory Board Member	Kotaro Ohno	15	100%
Outside Audit & Supervisory Board Member	Tatsuro Kosaka	11	100%

Note: Outside Director Makoto Kigawa and Outside Audit & Supervisory Board Member Hirohide Yamaguchi retired at the 153rd Ordinary General Meeting of Shareholders held in June 2022, and Outside Director Michitaka Sawada and Outside Audit & Supervisory Board Member Tatsuro Kosaka were appointed at the same Ordinary General Meeting of Shareholders. Therefore, the number of meetings of the Board of Directors to be attended by these outside officers differs from that of other Directors and Audit & Supervisory Board Members.

be Referred to a Meeting of the Board of Directors, and reports on business execution. While the business execution reports cover virtually 100% of businesses on a consolidated basis, that of very small operations is also reported, focusing on their safety, compliance, and risk matters, in Board meetings. To ensure thorough discussions by the Board of Directors, the Company secures ample time for thorough discussions and has adopted a process in which the Board of Directors meets twice to separately discuss and resolve important agenda items.

In monthly Board meetings, the President directly reports on the latest conditions and topics of important matters, including safety, compliance, and risk management, and the CFO also reports on conditions related to sales, profit, orders received, and borrowings.

Number of agenda items, etc., for Board of Directors meetings in FY2022

Agenda item numbers	Resolutions	39
	Deliberations	9
	Reports	39
Free discussion	2 times	

In addition to meetings, members of the Board of Directors took part in the following activities

- Free discussions were arranged centered on the topic of medium- to long-term management issues.
- Outside Directors and Outside Audit & Supervisory Board Members held meetings at which these Outside Board Members shared opinions regarding management issues from their objective and independent standpoints. Discussions with the President were also arranged to foster sharing recognition.



Business site tour by Outside Directors and Outside Audit & Supervisory Board Members (Ibaraki Plant)

Supporting system for Outside Directors and Audit & Supervisory Board Members

The support systems for Outside Directors and Outside Audit & Supervisory Board Members include the following.

Distribution of materials and pre-meeting briefings	As a general rule, the Company provides materials for Board of Directors meetings to Outside Directors and Outside Audit & Supervisory Board Members in advance of the meetings so that they have sufficient time to review the matters that are to be discussed. For newly appointed Outside Directors and Outside Audit & Supervisory Board Members, the concerned departments conduct explanatory meetings on the agenda items to be discussed at meetings of the Board of Directors, as needed. Such meetings are attended by the Secretariat of the Board of Directors and held prior to Board of Directors meetings.
Discussion process	With respect to matters that may be of particular importance, the Board of Directors discusses them at the Board of Directors meeting prior to the Board of Directors meeting where such matters are scheduled for resolution. In this manner, the Company ensures that the Directors have sufficient time to review the matters before decisions are made and that they will have an opportunity to consider the points noted in earlier discussions before deciding upon such matters.
Business site tours	The Company also provides opportunities for Outside Directors and Outside Audit & Supervisory Board Members to visit business sites other than the head office, where meetings of the Board of Directors and the Audit & Supervisory Board are mainly held, and learn about the workplaces involved in the Company's business.
Material database	The Company has built a database that houses materials, minutes, and other information on past Board of Directors and other major committee meetings. This database can be accessed by all members of the Board of Directors and the Audit & Supervisory Board Members, including outside members. The Company has also built a database that houses materials and minutes of past meetings of the Audit & Supervisory Board. This database can be accessed by all Audit & Supervisory Board Members, including outside members.

Evaluation of the effectiveness of the Board of Directors

The results of the evaluation of the effectiveness of the Board of Directors conducted in FY2022 were as follows.

1. Process of analysis and evaluation

With regard to the process of analysis and evaluation, the Company has confirmed the evaluation method for FY2022 based on the effectiveness evaluation method and results of the Board of Directors' evaluation from the previous fiscal year.

Outline of evaluation of the effectiveness of the Board of Directors

Subjects	All nine Directors and all five Audit & Supervisory Board Members
Conduction/Evaluation	(1) Questionnaire filled out by the subjects (2) Interviews with internal Directors and Outside Audit & Supervisory Board Members (3) Discussion by Outside Directors and Outside Audit & Supervisory Board Members (4) Analysis and evaluation based on (1) through (3) above followed by planning and drafting of a proposal for holding a Board of Directors meeting (5) Report and discussion at the Board of Directors meeting
Principal topics	(1) Size and composition of the Board of Directors (2) Proceedings of Board meetings (agenda setting) (3) Proceedings of Board meetings (reporting and explanation, provision of information, follow-up) (4) Discussion at Board meetings (5) Roles and functions of the Board of Directors (6) Self-evaluation

The above evaluation process is managed by the Secretariat of the Board of Directors and is part of a PDCA cycle. For FY2023, the Company has incorporated advice from external specialists (law firm) and increased the number of topics when reassessing the topics. In the future, the Company will consider introducing a third-party evaluation to further enhance the objectivity of the evaluation.

2. Outline of the evaluation results

After reviewing the discussion by the Board of Directors, based on the analysis of the questionnaires, interviews, and

discussions arranged as part of the evaluations of effectiveness, the Company has confirmed that the effectiveness of its Board of Directors remains ensured with a generally high level in regard to each of the evaluation items.

- The main points that were highly rated were as follows:
- Diversity of Board members (background, internationality, gender, etc.)
 - Timely provision of information and explanation of management issues in the President's report made at the beginning of Board meetings
 - Provision of explanatory videos in advance of Board meetings to simplify explanations on the day of the meeting and to ensure sufficient time for discussion
 - Frank and multifaceted discussions by members with diverse backgrounds and knowledge
 - Promotion of dialogue with stakeholders, visits to business sites by Outside Directors and Outside Audit & Supervisory Board Members, and provision of opportunities for dialogue with employees, etc.

Conversely, the issues to be further examined in the future are as follows:

- Continuation and enhancement of discussions on medium- and long-term issues (business portfolio, sustainability, human capital, etc.) to enhance corporate value
- Continuation of clarification of discussion themes, concise reports focusing on the day's key discussion points, efficient explanation of risks and opportunities, etc.
- More frequent meetings for Outside Directors and Outside Audit & Supervisory Board Members, etc., and promotion of exchanges between Outside Directors and Outside Audit & Supervisory Board Members and executive officers, etc.

In FY2023, the Company will work on these points to achieve an even more effective Board of Directors.

Corporate governance

Audit & Supervisory Board Members and Audit & Supervisory Board

The activities of the Audit & Supervisory Board Members and the Audit & Supervisory Board were as follows.

1. Frequency of and attendance at meetings of the Audit & Supervisory Board

In FY2022, 15 meetings of the Audit & Supervisory Board were held, and the attendance of individual Audit & Supervisory Board Members is as follows.

Position	Name	Frequency	Attendance rate
Standing Audit & Supervisory Board Member	Terumi Sasaki	15	100%
Standing Audit & Supervisory Board Member	Yasuhiro Inagaki	14	93%
Outside Audit & Supervisory Board Member	Hirohide Yamaguchi	4	100%
Outside Audit & Supervisory Board Member	Eiko Shinotsuka	14	93%
Outside Audit & Supervisory Board Member	Kotaro Ohno	15	100%
Outside Audit & Supervisory Board Member	Tatsuro Kosaka	11	100%

Note: Attendance for Outside Audit & Supervisory Board Member Hirohide Yamaguchi reflects attendance at meetings held before his resignation on June 21, 2022. Attendance for Outside Audit & Supervisory Board Member Tatsuro Kosaka reflects attendance at meetings held after he assumed his position on June 21, 2022.

2. Details of discussions at meetings of the Audit & Supervisory Board

Details of discussions at meetings of the Audit & Supervisory Board in FY2022 are as follows:

- Made resolutions after deliberation on the audit policy, audit method, audit plan, key matters, allocation of duties, and audit report
- Conferred with the independent auditor to identify key audit matters (KAMs) in the audit and confirmed that these were disclosed properly
- Discussed and confirmed the method of the independent auditor's audit, the appropriateness of the results, and its independence of the independent auditor
- Discussed the appointment or dismissal of the independent auditor and passed a resolution for reappointment
- Received reports on internal audit results of the Company and its subsidiaries from the Internal Auditing Department and

- offered appropriate opinions and discussed said matters
- Received a report from the Compliance Department on the status of its activities and offered appropriate opinions and discussed said matters
- Investigated the status of implementation of the basic policy on internal controls and confirmed no issues
- Discussed and passed resolutions regarding the revision of the Company's Audit & Supervisory Board regulations and audit standards for Audit & Supervisory Board Members in light of revisions of laws and regulations

Furthermore, the Audit & Supervisory Board also discussed and implemented improvements for efficient and effective operation of the Audit & Supervisory Board and audit duties.

3. Activities of Audit & Supervisory Board Members

In accordance with the audit policies, assignment of duties, and other matters determined by the Audit & Supervisory Board, the Audit & Supervisory Board Members attended important meetings of the Board of Directors, the Strategy Review Committee, the Compliance Committee, the Risk Management Committee, and other bodies, and inspected and confirmed business operations and assets through review of important resolution documents and associated information as well as on-site inspection of the Company and its subsidiaries.

Moreover, the Audit & Supervisory Board Members endeavored to communicate and exchange information with Representative Directors, other Directors and Audit & Supervisory Board Members, and the management of the Company and its subsidiaries, and received explanations and reports on execution of their duties and the status of businesses and also periodically received explanations and reports on the establishment, improvement, and operation of internal control systems and expressed opinions as needed. In addition, the Audit & Supervisory Board Members worked to improve the environment for auditing through liaison meetings and individual interviews with the Internal Auditing Department and subsidiaries' standing Audit & Supervisory Board Members while maintaining close contact to enhance effectiveness.

Furthermore, Audit & Supervisory Board Members also monitored and verified whether the independent auditor maintained its independent position and implemented appropriate audits, received reports on the execution of duties from the firm, and requested an explanation as needed.

Introduction of new Outside Audit & Supervisory Board Member

The following new Outside Audit & Supervisory Board Member was appointed at the Ordinary General Meeting of Shareholders held in June 2023.

Mariko Matsumura Ms. Mariko Matsumura is an attorney at Shinwa Sohgo Law Offices and has gained considerable knowledge and abundant experience in the legal and compliance fields through positions including President of the Dai-ichi Tokyo Bar Association. Utilizing this knowledge and experience, the Company expects her to execute her duties as Outside Audit & Supervisory Board Member from the standpoint of a specialist. Therefore, the Company nominated her as a candidate for Outside Audit & Supervisory Board Member. Although Ms. Matsumura has no experience being directly involved in corporate management, the Company has judged that she will be capable of appropriately performing the duties of an Outside Audit & Supervisory Board Member based on the reasons above.

Activities of advisory committees

Committee name	Nomination advisory committee	Compensation advisory committee
Chairman	Outside Director (Takeshi Kunibe)	Outside Director (Takeshi Kunibe)
Members (As of June 30, 2023)	4 Outside Directors (Takeshi Kunibe, Arthur M. Mitchell, Naoko Saiki, Michitaka Sawada) Chairman of the Board President	4 Outside Directors (Takeshi Kunibe, Arthur M. Mitchell, Naoko Saiki, Michitaka Sawada) 1 Outside Director (Kotaro Ohno) Chairman of the Board
Purpose	Deliberation, resolution, and reporting to the Board of Directors on selection of the next President and human resource development methods, succession plans, and appointment and dismissal of Directors	Deliberation, resolution, and reporting to the Board of Directors and Audit & Supervisory Board on remuneration systems for Directors, Audit & Supervisory Board Members, and Executive Officers to ensure objectivity and transparency
Meetings in FY2022	3	4
Agenda items in FY2022	<ul style="list-style-type: none"> Selection and cultivation of candidates for the next President Nomination of Director and Audit & Supervisory Board Member candidates Director and Audit & Supervisory Board Member skill matrix Selection of Executive Officer candidates Membership of Nomination Advisory Committee and Compensation Advisory Committee in FY2023, etc. 	<ul style="list-style-type: none"> Evaluation of the mid-term management plan for FY2019-2021 Evaluation method for the mid-term management plan for FY2022-2024 Performance-based remuneration for Directors for FY2022 Monthly compensation levels for Directors and Audit & Supervisory Board Members for FY2023 Evaluation indicators for performance-based remuneration for Directors in FY2023, etc.

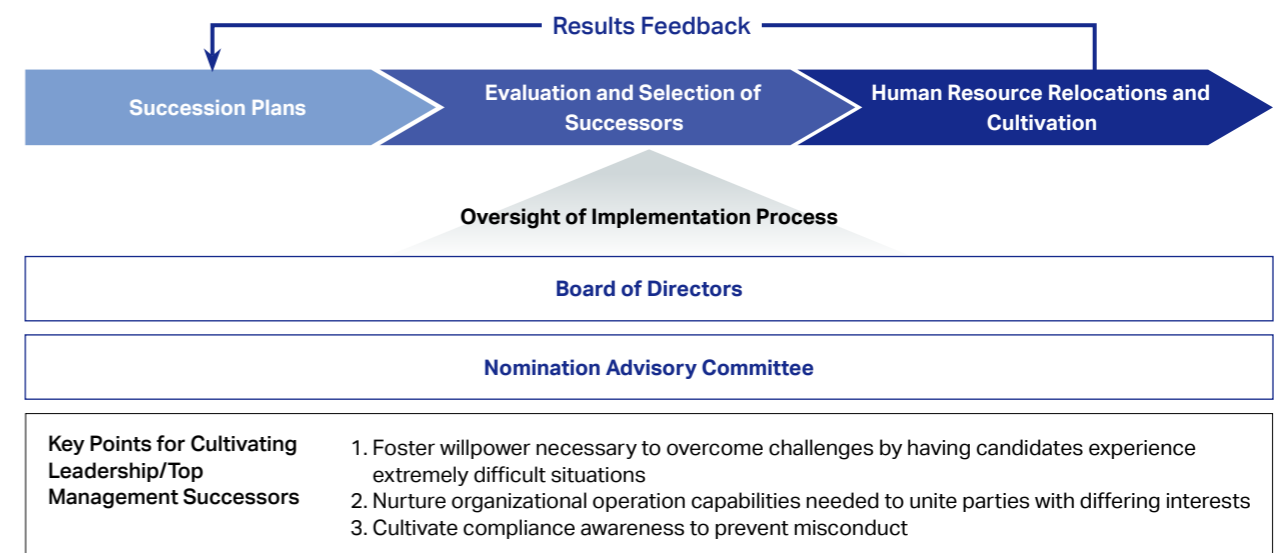
Succession plans

One of the items contained in the Code of Conduct for Leadership/Top Management that has been clearly delineated in The Komatsu Way is "continue to think about your succession plan." In order to ensure that Komatsu's management values are transmitted to the next generation, the basic requirements for candidates for the position of President are discussed and clearly defined by the Nomination Advisory Committee. In addition, successors for important domestic

and overseas positions up to and including that of the President are decided through the annual implementation of succession plans (see chart below).

Selected candidates are assigned to challenging tasks and granted even larger roles in the organization to systematically develop them in an environment that encourages the pursuit of mutual growth.

Overview of succession plans



Corporate governance

Remuneration systems

In an effort to maintain an objective and transparent remuneration system, the policy and levels of remuneration for Directors and Audit & Supervisory Board Members of the Company are deliberated by the Compensation Advisory Committee. Taking its reports and recommendations into consideration, the remuneration for Directors is determined by the Board of Directors, and the remuneration for Audit & Supervisory Board Members is determined by discussions with the Audit & Supervisory Board Members, respectively, within the range previously determined by resolution of the General Meeting of Shareholders. With regard to the level of monthly remuneration paid as basic remuneration, comparison by position at other key, globally active manufacturers in Japan is made by the Compensation Advisory Committee and is reflected in its reports and recommendations.

The remuneration for Directors excluding the Outside Directors (hereinafter "Internal Directors") comprises basic remuneration (fixed remuneration) and performance-based remuneration linked to the Company's consolidated

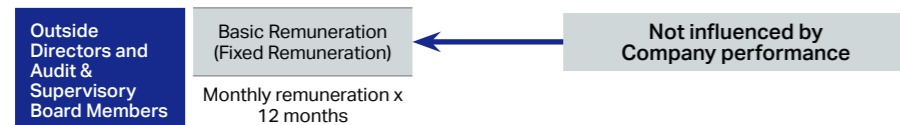
performance for a single fiscal year (bonus in cash and the Stock-Based Remuneration A) as well as the performance-based remuneration (Stock-Based Remuneration B) that will reflect the degree of achievement of the targets raised in the mid-term management plan, so that it will further contribute to the enhancement of the medium- and long-term corporate value of the Company, by linking the remuneration.

The remuneration for Outside Directors only consists of basic remuneration (fixed remuneration) designed to support their role to make recommendations with respect to the overall management of the Company as a member of the Board of Directors.

Furthermore, the remuneration for Audit & Supervisory Board Members only consists of basic remuneration (fixed remuneration) designed to support their independent position with authority to audit the execution of duties by Directors without getting fettered by the movements of corporate performance of the Company. The retirement allowance system for Directors and Audit & Supervisory Board Members was terminated as of June 2007.

Composition of remuneration of Directors and Audit & Supervisory Board Members

Internal Directors	Basic Remuneration (Fixed Remuneration)	Performance-Based Remuneration for a Single Year (Monthly remuneration 0–24 months)		Performance-Based Remuneration Linked to Performance of Mid-term management plan (Monthly remuneration 0–3 months)
	Monthly remuneration x 12 months	Bonus in Cash (2/3, in principle)*	Stock-Based Remuneration A (1/3, in principle) Restricted Stock	Stock-Based Remuneration B Restricted Stock




* The upper limit for Bonus in Cash is set at 12 months' worth of monthly remuneration; the remainder of bonuses is to be paid as Stock-Based Remuneration A.

Performance-based remuneration linked to performance of Mid-term management plan

The Company will pay Internal Directors the equivalent of a three-month portion of monthly remuneration every fiscal year as remuneration linked to the period of the Company's mid-term management plan by granting restricted stock as stock-based remuneration (Stock-Based Remuneration B). In deciding Stock-Based Remuneration B, after the expiry of the period of the mid-term management plan, the number of shares on which to lift transfer restrictions (within a range of 0%–100%) will be decided based on the achievement of the management targets of the mid-term management plan presented in the above table and as general rule; the restriction of transfer on the shares will be lifted after three years from delivery.

Malus and clawback system

The Company resolved on Malus (reduction / confiscation) and Clawback (return) system at the meeting of the Board of Directors held in April 2022. In the event of a significant revision of financial statements or an event that has a significant impact on the reputation of the Company due to the execution of business by Directors, the performance-based remuneration paid to the Internal Directors could be required to be reduced, confiscated, or refunded. In principle, the content of the refund request, etc. be decided by the Board of Directors after deliberation by the Compensation Advisory Committee according to each event.




 The Company adopted all principles of Japan's Corporate Governance Code after its June 2021 revision.
https://www.komatsu.jp/en/-/media/home/ir/corporate-governance/cgr_en.pdf?rev=30c1c9376d714556bf1e8499edc483eb&hash=74B4E3CB68D8D237C24B4F16B5914A07

International Advisory Board

Komatsu established the International Advisory Board (IAB) back in 1995 for the Board of Directors to incorporate, from external experts, objective advice and suggestions concerning management and operations of Komatsu as a global company. The IAB has met a total of 38 times through meetings of traditional bodies and new organizations combined. In April 2020, Komatsu commenced the 8th session of the IAB with the following advisors. In FY2022, the advisors took part in discussions with Directors and Audit & Supervisory Board Members and provided advice and suggestions with regard to risk management in global management.

Komatsu will continue to improve management and strengthen its corporate governance in order to enhance its corporate value.

Advisors of the 8th session (current)

Name	Current position and brief background	
 R. David Hoover	2018–Present 2015–February 2021 2009–2018 2000–2015 1996–2013	Chairman of the Board, Elanco Animal Health Board of Directors, Edgewell Personal Care Company Board of Directors, Eli Lilly and Company Board of Directors, Energizer Holdings, Inc. Board of Directors, Ball Corporation (Chairman, 2002–2013)
 Risto Siilasmaa	2022–Present 2022–Present 2006–2022 2012–2020	Chairman of the Board of Directors, WithSecure Corporation Director, F-Secure Corporation Chairman of the Board of Directors, F-Secure Corporation (He is the founder of F-Secure Corporation.) Chairman of the Board of Directors, Nokia Corporation
 Mitoji Yabunaka	2018–Present 2014–2020 2008–2010	Specially Appointed Professor, Osaka University Outside Director, Komatsu Ltd. Vice Minister, Ministry of Foreign Affairs

Major executive committees

Committee name	Purpose	Meeting frequency*2
Product Safety Committee	Discussions on and decisions regarding policies and systems related to product safety activities and technologies, assessment of product safety activities of business divisions and deliberation on issues regarding said activities, and reporting of important matters at monthly Board of Directors' meetings	Twice a year
Compliance Committee*1	Discussion on and decision and execution of policies and important measures pertaining to group-wide compliance	Twice a year
Risk Management Committee*1	Discussion and approval of group-wide risk management tasks and risk countermeasures	Once a year
Export Control Committee	Discussion on and decision of policies and important matters regarding group-wide security and export control measures and systems	Once a year
Sustainability Promotion Committee*2	Discussion on and decision and execution of policies and important measures regarding the environmental and social activities implemented as part of the Group's ESG activities	Twice a year
The Komatsu Way Committee*1	Discussion on and decision and execution of policies and important measures regarding human resources, labor affairs, education and human resource development, employee benefits, and occupational health and safety management for the Company and the Group	Twice a year
Disclosure Committee	Discussion and assessment to facilitate accurate information disclosure as required by the Financial Instruments and Exchange Act and submission of recommendations to internal information control representatives regarding judgments on material developments	4 times a year

*1 Chaired by the President

*2 Meeting numbers are in principle, special meetings arranged when necessary

Risk management

Basic principles and structure for risk management

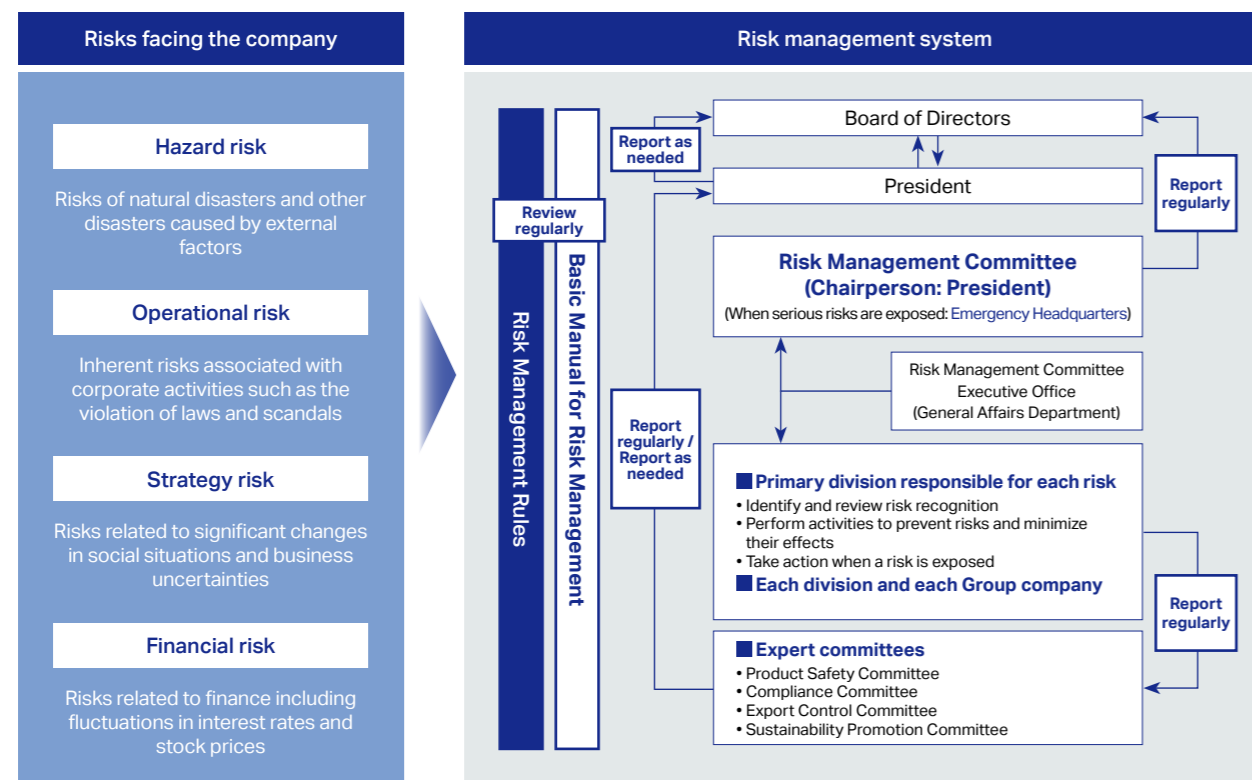
In addition to the basic policy for risk management to ensure business continuity and stable development, Komatsu has established Risk Management Rules to correctly recognize and manage risks.

Furthermore, we have developed the Basic Manual for Risk Management, which defines the response systems and rules to be utilized should a risk materialize along with specific risk items and the divisions responsible for said risk items. This manual is periodically revised to ensure that risk management systems are adapted to the constant changes in the operating environment and in risks.

Komatsu has established the Risk Management Committee to devise relevant policies for the entire Group, review the risk management system, and evaluate and improve upon the response measures in place for each risk as well as to take control of risks when they arise. In FY2022,

the meeting was held regularly in February and in June and October as needed. The committee regularly reports on its deliberations and activities to the Board of Directors. In FY2022, risk management was discussed by the International Advisory Board and advice and suggestions were received from advisors in order to gain objective input from outside experts.

Komatsu will establish an emergency headquarters when serious risks, such as the COVID-19 pandemic and the situation in Ukraine, occur and implement appropriate measures to minimize damage. Other important matters to be considered from the perspective of risk management include corporate governance; compliance; response measures for climate change, pandemics, and other natural disaster risks; and frameworks for preventing transactions with antisocial forces. We continue management efforts related to these matters.



Response to climate change

Approximately 90% of the CO₂ emissions from the lifecycles of Komatsu construction equipment are attributable to product operation. Accordingly, we have the potential to help mitigate climate change by providing low-carbon products and solutions like Smart Construction, which helps reduce CO₂ emissions by optimizing work processes. Conversely, if we do not conform to the regulatory requirements of the relevant countries or with the demands of markets or if we are impacted by rapid changes in resource demand, market entry by new competitors, or higher manufacturing costs due to the introduction of carbon taxes, we will risk suffering future impacts to our earnings.

To address such risks, we are working to reduce the fuel consumption and improve the efficiency of products while developing eco-friendly products. Efforts to develop such products include refining existing hybrid and diesel-electric technologies and utilizing new technologies, such as those related to fuel cells and hydrogen engines. In addition to these product-based improvements, we are also pursuing solutions-based improvements through the development of Smart Construction and forest management solution and

other solution. Furthermore, we are promoting investments in environmental preservation through such means as the adoption of an internal carbon pricing system to combat rising production costs. We thereby look to conserve energy during production processes as well as create clean energy. Through these efforts, the Company aims to halve CO₂ emissions from the level in 2010 by 2030 and achieve carbon neutrality by 2050.

At the same time, we project that demand may rise for copper and other resources necessary for items used to electrified equipment, such as motors, batteries, and fuel cells. Seeking to seize this opportunity, we are expanding our hard rock mining business (response to transition and opportunity risks). Meanwhile, the rise in natural disasters associated with climate change is creating risks of damages to the Company and its supply chain. We are therefore taking steps to identify the water-related risks threatening the Company and its supply chain while instituting business continuity plan (BCP) drills and other measures such as the expansion of cross sourcing to mitigate these risks (response to physical risks).

Response to geopolitical risks

As globalization processes, the outlook for the operating environment is becoming increasingly opaque amid rising social, political, and military pressures.

As a global conglomerate, the Komatsu Group takes steps to minimize the impacts of resource price fluctuations, trade restrictions, and supply chain complications that result from diversifying geopolitical risks by confirming, analyzing, and addressing the political, economic, and regulatory trends of relevant countries.

In response to the situation in Ukraine, an emergency

headquarters led by the president was established in accordance with the Company's risk management policies, steps were taken to protect the safety of employees and their families in areas affected by the conflict, and the export restrictions implemented by countries around the world were addressed.

We will continue to monitor such trends going forward in order to implement appropriate measures to ensure the safety of customer's operation site and address other issues.

Economic security measures

It is possible that further political division around the world could result in various countries implementing more rigorous regulations. To respond to trends related to Japan's Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures

and to economic security regulations and legislation, the Komatsu Group has appointed an individual responsible for economic security who is tasked with collecting and analyzing relevant information.

Risk management

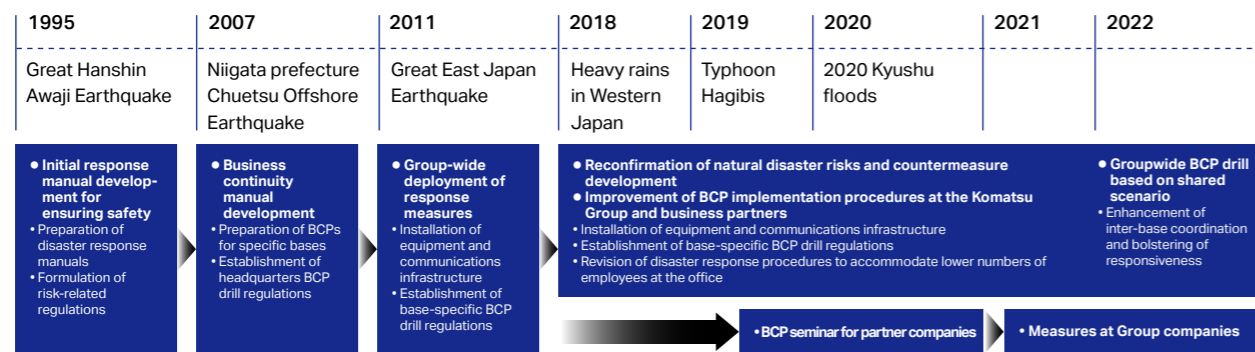
BCP measures for addressing frequent natural disasters

Komatsu has established business continuity plans (BCPs) to ensure the continuity of core operations and to facilitate quick resumption of operations should they be interrupted. As part of these plans, we hold regular initial response and production resumption drills based on major earthquake and water damage scenarios. At production bases, we implement measures to reinforce the seismic resistance of structures and production equipment while implementing countermeasures to safeguard against water and wind damage from concentrated heavy rains and other weather events in order to minimize the impacts of increasingly more severe natural disasters. Moreover, the disaster response reporting chains and standards for frontline sites have been clarified to facilitate swift decisions by senior management should a disaster strike.

In FY2022, a Groupwide BCP drill was held based on the shared scenario of an eruption of Mt. Fuji. This drill was designed to enhance inter-base coordination and to bolster responsiveness through training in anticipation of a variety of disasters.

We are focused on not only strengthening the BCPs of Komatsu Group bases but also on strengthening the supply chain system through BCP development and implementation support for our business partners.

Komatsu will continue to ramp up its BCP initiatives in order to build a flexible and sustainable supply chain that can respond to an increasingly diverse range of risks.



Reinforcement of information security

As information security threats grow increasingly more sophisticated and complex, Komatsu is engaging in activities for improving information security on a Groupwide level. For example, we have assembled computer security incident response teams (CSIRTs) to address security risks given the potentially serious damages that could result from cyberattacks.

(1) Management system CSIRTs have been put in place on the regional and country level to accommodate Komatsu's entire global base network in order to implement an organization-wide information security system that is capable of combating cyberattacks. Under normal conditions, CSIRTs are tasked with collecting information, instituting system-based countermeasures, and training employees to prevent information security incidents. Should an incident occur, the CSIRTs will play a central role in working to minimize damages and quickly restore systems.

Reports on the activities of CSIRTs are regularly submitted to the Risk Management Committee, which is responsible for Groupwide risk management. This sharing of information on risk management challenges with the members of this committee, which include the president and directors, facilitates more appropriate response measures.

(2) Personal information protection Protecting personal information is a social responsibility. Recognizing this responsibility, Komatsu has formulated and disclosed its Personal Information Protection Policy. Steps are taken to guarantee that personal information is properly handled. These steps include e-learning programs and internal audits. Overseas, we comply with the European Union's General Data Protection Regulation and other laws, regulations, and social expectations in countries and regions of operation in our efforts to protect personal information.

(3) System measures Komatsu has instituted a multilevel defense system combined with various system measures to prevent unauthorized access from outside of the Company, computer virus infections, and other threats as well as information leakages resulting from these threats. For example, as part of the process of implementing teleworking systems, we installed a rigorous verification system that employs a scheme in which multiple processes are required to access systems from outside of the Company.

(4) Education and training All employees engaged in the handling of information assets are required to undergo regular e-learning programs. In addition, targeted attack email drills are held several times a year to entrench procedures for addressing suspicious emails. These drills target companies in Japan as well as certain overseas subsidiaries in order to boost the level of information security on a global scale.

(5) Information security audits Information security audits of Group companies are performed to improve the level of information security across the entire Komatsu Group. In principle, every company is required to undergo an audit at least once every three years as part of an effort to confirm information security-related conditions on an ongoing basis.

(6) Initiatives for improving information security across the supply chain Our information security initiatives are not limited to Komatsu and Group companies; we also request that affiliates across the supply chain with which confidential information is shared during the course of business activities practice information security management in accordance with the Company's policies. Effective, ongoing support is provided for this purpose.

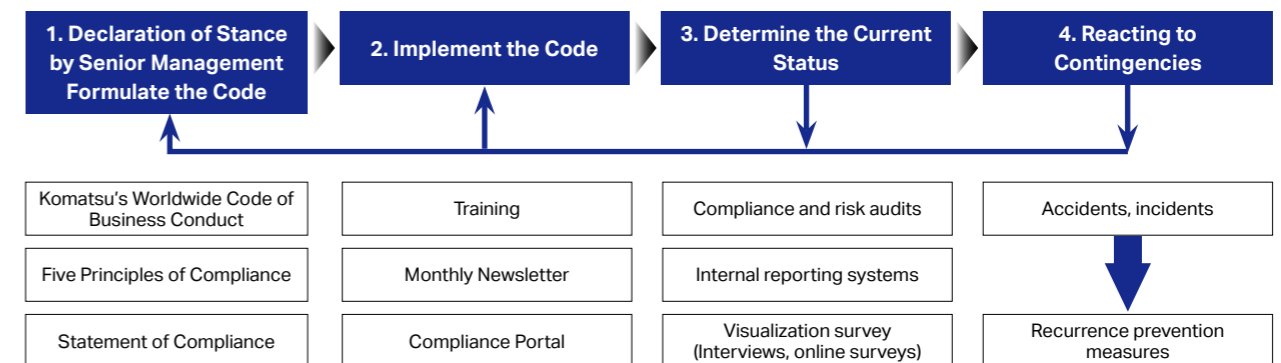
The appropriateness of IT equipment and other system-based countermeasures and of information management at sales agents and affiliates is regularly confirmed through checklists. In addition, we arrange meetings with such partners on information security subjects and recommend the use of the information security education materials designated by the Company. We thereby aim to promote understanding of the importance of appropriate information management among all parties responsible for handling confidential information or ensuring business continuity in order to reduce risks.


Compliance

Komatsu established the Compliance Committee to oversee compliance, and the committee regularly reports its discussions and activities to the Board of Directors. Komatsu also establishes a system to ensure all Directors and employees thoroughly comply with business rules as well as laws and regulations through a variety of measures, including the provision of Komatsu's Worldwide Code of Business Conduct, appointment of the Executive Officer in charge of

compliance, and establishment of the Compliance Department. Through all of these measures we work to supervise, educate, and train Directors, Audit & Supervisory Board Members, and employees. In addition, Komatsu establishes an internal reporting system under which those who are discreetly reporting questionable actions in light of laws and regulations and business rules will not be given any disadvantageous treatment.

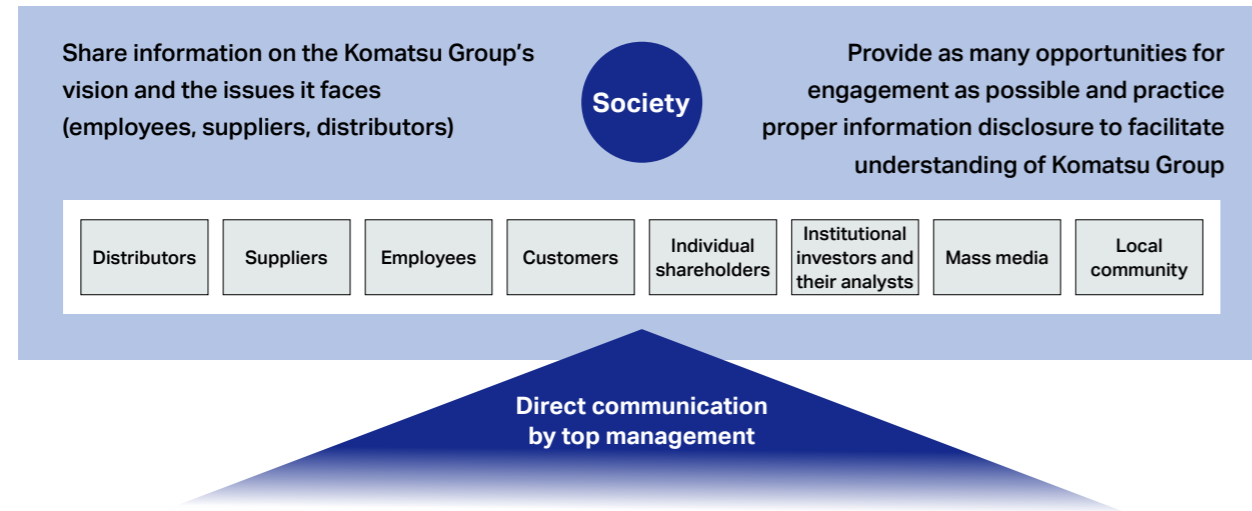
Process for compliance activities



 For more information on our compliance-related initiatives including Komatsu's Worldwide Code of Business Conduct, please refer to our corporate website:
<https://komatsu.disclosure.site/en/themes/96#909>

Stakeholder engagement


In order to become a company which enjoys more trust from all of our stakeholders, we are engaging in fair and timely disclosure of information and emphasizing the importance of direct communication by top management.



Interactive communication with various stakeholders

Based on our "Management Principle" of maximizing the total sum of trust given to us by society and all stakeholders, we are providing appropriate communication opportunities for each stakeholder and engaging in interactive communication.

Stakeholders	Communication details	Activity examples	Frequency
Distributors	Explanations on business results, policies, and strategies from the President	Regular meetings with distributors in each region	Five times a year
Suppliers	Explanations on business results, policies, and strategies from the President	Regular meetings with Komatsu Midori-kai	Two times a year
	Safety patrols and support for suppliers' activities such as obtaining certification		As needed
Employees	Explanations on business results, policies and strategies from the President Global sharing of dialogues between employees and the President via the intranet	Town-hall Meeting with the President Virtual office of President	Two times a year As needed
	Dialogue with the labor union and employee representatives to improve the workplace environment	Labor-management councils	As needed
Customers	Dialogue with customers that makes Komatsu an indispensable partner for them	Brand Management activities	Daily
	Collaborative activities with customers to resolve issues in local communities where we operate		Daily
Individual shareholders	Explanations on business results, policies, and strategies from the President and the CFO	Regular meetings with individual shareholders	Two times a year in Japan
	Explanations of business activities through tours of company facilities	Plant tours for individual shareholders	Sixteen times a year in Japan
Institutional investors and their analysts	Explanations on business results, policies, and strategies from the President and the CFO	IR meetings	As needed
	Response to questionnaires, surveys, etc.	SRI surveys	Daily
Mass media	Explanations on business results, policies, and strategies from the President and the CFO	Media interviews	Daily
Local community	Explanation of initiatives related to operations, the environment, and safety	Mutual communication with local communities	As needed
	Voluntary activities to resolve issues in local communities by employees	Volunteer activities	Daily

 For more information on engagement with stakeholders, please refer to the ESG databook.
<https://komatsu.disclosure.site/en/themes/121>

IR topics in FY2022

In FY2022, we resumed certain in-person IR activities such as the events of IR meetings and plant tours that had been suspended in response to the COVID-19 pandemic. We will continue to conduct both online and in-person IR activities to provide opportunities for interactive communication with institutional investors, their analysts, and individual shareholders going forward.

IR event in Las Vegas (for institutional investors and their analysts)

Over the five-day period spanning from March 14 to 18, 2023, we held an IR event in conjunction with our exhibition at CONEXPO-CON/AGG 2023, an international construction equipment trade show held in Las Vegas. Our event included five booth tours and one IR meeting, which saw numerous participation from Japanese and overseas institutional investors and their analysts. At the IR meeting, a lively exchange of opinions was held between participants and management members including the CEO of Komatsu America Corp. on topics such as ASP strategies, demand in the North American market, the latest trends in the mining business, and supply chain conditions.



 Videos of our IR event at CONEXPO-CON/AGG 2023 can be found on our official YouTube channel.

CONEXPO 2023 Komatsu Booth Tour
<https://www.youtube.com/watch?v=H2G09pEgeuQ>

CONEXPO 2023 Komatsu IR Meeting
https://www.youtube.com/watch?v=6EaKP8L03_Q

Resumption of Japan plant tours after three-year hiatus (for institutional investors, their analysts, and individual shareholders)

We held plant tours in Japan for institutional investors, their analysts, and individual shareholders in order to deepen understanding of our business activities. In FY2022, these tours were resumed after a three-year hiatus in response to the COVID-19 pandemic. A total of 18 tours were held, drawing more than 600 participants. After tours of facilities such as construction equipment assembly lines, Q&A sessions were held, during which various questions were received on our businesses. Institutional investors and their analysts made inquiries regarding trends and outlooks on production and productivity improvement initiatives such as factory automation. Meanwhile, individual shareholders asked about electrification and automation development of construction and mining equipment and human resource development at Komatsu. These questions were answered by plant managers and other members of plant management, making these Q&A sessions a forum for interactive communication.



Notice of online meeting for individual shareholders (Japanese only)


We will hold an online meeting for individual shareholders to explain matters such as the status of the Komatsu Group, our future outlook, and the progress of the mid-term management plan as detailed below.

At this meeting, members of top management will provide our business overview and we would like to hear the shareholder's opinions.



Details of FY2023 online meeting with individual shareholders (tentative)

Time and date	7 p.m.–8 p.m. (JST), December 19, 2023 (Tuesday)
Method	The viewing website and viewing methods will be described in the interim business reports scheduled for distribution in early December 2023 (in Japanese only) and the "Shareholder events" section of our corporate website (in Japanese only). The briefing will be viewable from computers, smartphones, and tablets.
Attendance requirements	Open to shareholders of the Company as of September 30, 2023
Agenda	1. Explanation of mid-term management plan progress, interim financial results, and full-year financial outlook 2. Question and answer session

 For more IR-related materials and information on events for individual shareholders and investors, please refer to the "Investor relations" section of our corporate website.
<https://www.komatsu.jp/en/ir>

Directors and Audit & Supervisory Board Members

Directors (As of June 30, 2023)



Chairman of the Board
Tetsuji Ohashi

Number of Year (s) in Office 14 years
Number of Shares of the Company Held 204 thousand shares
Important Concurrent Positions Held in Other Organizations Outside Director of Yamaha Motor Co., Ltd. Outside Member of the Board of Nomura Research Institute, Ltd. Outside Director of Asahi Group Holdings, Ltd.

4/1977 Joined the Company
4/2022 Took office as Chairman of the Board (current)



President and CEO
Representative Director
Hiroyuki Ogawa

Number of Year (s) in Office 5 years
Number of Shares of the Company Held 108 thousand shares
Important Concurrent Positions Held in Other Organizations None

4/1985 Joined the Company
4/2019 Took office as President and Representative Director (current) CEO (current)

CEO



Representative Director and Senior Executive Officer
Masayuki Moriyama

Number of Year (s) in Office 4 years
Number of Shares of the Company Held 78 thousand shares
Important Concurrent Positions Held in Other Organizations None

4/1982 Joined the Company
4/2022 Took office as Representative Director and Senior Executive Officer (current)

President of Mining Business Division



Director and Senior Executive Officer
Takeshi Horikoshi

Number of Year (s) in Office 2 years
Number of Shares of the Company Held 37 thousand shares
Important Concurrent Positions Held in Other Organizations None

4/1985 Joined the Company
4/2023 Took office as Director and Senior Executive Officer (current)

CFO



Director and Senior Executive Officer
Mitsuko Yokomoto

Number of Shares of the Company Held 20 thousand shares
Important Concurrent Positions Held in Other Organizations None

4/1985 Joined the Company
6/2023 Took office as Director and Senior Executive Officer (current)

Human Resources, Education and Sustainability

Audit & Supervisory Board Members (As of June 30, 2023)



Standing Audit & Supervisory Board Member
Yasuhiro Inagaki

Number of Year (s) in Office 2 years
Number of Shares of the Company Held 47 thousand shares
Important Concurrent Positions Held in Other Organizations None

4/1984 Joined the Company
6/2021 Took office as Standing Audit & Supervisory Board Member (current)



Standing Audit & Supervisory Board Member
Terumi Sasaki

Number of Year (s) in Office 3 years
Number of Shares of the Company Held 22 thousand shares
Important Concurrent Positions Held in Other Organizations None

4/1983 Joined the Company
6/2020 Took office as Standing Audit & Supervisory Board Member (current)



Outside Director
Takeshi Kunibe

Number of Year (s) in Office 3 years
Number of Shares of the Company Held None
Important Concurrent Positions Held in Other Organizations Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. Outside Member of the Board of TAISHO PHARMACEUTICAL HOLDINGS CO., LTD. Outside Director/Audit & Supervisory Committee Member of Nankai Electric Railway Co., Ltd.

4/1976 Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation, hereinafter "SMBC")
6/2003 Took office as Executive Officer of SMBC
10/2006 Took office as Managing Executive Officer of SMBC
4/2007 Took office as Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc. (hereinafter "SMFG")
6/2007 Took office as Director of SMFG
4/2009 Took office as Director and Senior Managing Executive Officer of SMBC
4/2011 Took office as Representative Director, President and Chief Executive Officer of SMBC
4/2017 Took office as Representative Director and President of SMFG Retired from Director of SMBC
6/2017 Took office as Director President and Representative Executive Officer of SMFG
4/2019 Took office as Chairman of the Board of SMFG (current)
6/2020 Took office as Director of the Company (current)
10/2021 Took office as Chairman of the Board of SMBC
4/2023 Retired from Director of SMBC



Outside Director
Arthur M. Mitchell

Number of Year (s) in Office 3 years
Number of Shares of the Company Held None
Important Concurrent Positions Held in Other Organizations Foreign lawyer of White & Case LLP

7/1976 Registered as attorney at law in New York State, U.S. (current)
1/2003 Took office as General Counsel of Asian Development Bank
9/2007 Joined White & Case LLP
1/2008 Registered as registered foreign lawyer in Japan (current)
Registered foreign lawyer of White & Case LLP (current)
6/2020 Took office as Director of the Company (current)



Outside Director
Naoko Saiki

Number of Year (s) in Office 2 years
Number of Shares of the Company Held None
Important Concurrent Positions Held in Other Organizations Outside Director of Sojitz Corporation Outside Audit & Supervisory Board Member of Development Bank of Japan Inc. Outside Director of Sankyu Inc.

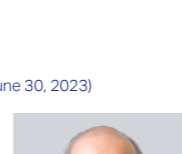
4/1982 Joined the Ministry of Foreign Affairs (hereinafter "MOFA")
7/2014 Took office as Director-General, Economic Affairs Bureau and Councilor, Cabinet Secretariat
10/2015 Took office as Director-General, International Legal Affairs Bureau
7/2017 Took office as Director-General, Foreign Service Training Institute, MOFA
1/2019 Retired from MOFA
4/2020 Took office as Visiting Professor, Graduate School of Public Policy, The University of Tokyo
6/2021 Took office as Director of the Company (current)
4/2023 Special Assistant to the Minister for Foreign Affairs (current)



Outside Director
Michitaka Sawada

Number of Year (s) in Office 1 year
Number of Shares of the Company Held None
Important Concurrent Positions Held in Other Organizations Director, Chair of Kao Corporation Outside Director of Panasonic Holdings Corporation Outside Director of Nitto Denko Corporation

4/1981 Joined Kao Soap Co., Ltd. (currently Kao Corporation)
6/2006 Took office as Executive Officer of Kao Corporation
6/2008 Took office as Director, Executive Officer of Kao Corporation
6/2012 Took office as Representative Director, President and Chief Executive Officer of Kao Corporation
1/2021 Took office as Director, Chair of Kao Corporation (current)
6/2022 Took office as Director of the Company (current)



Outside Audit & Supervisory Board Member
Kotaro Ohno

Number of Year (s) in Office 6 years
Number of Shares of the Company Held None
Important Concurrent Positions Held in Other Organizations Attorney at law, Special Counsel of Atsumi & Sakai Outside Director of Mizuho Financial Group, Inc.

4/1976 Appointed as Prosecutor
7/2009 Took office as Vice-Minister of Justice
7/2012 Took office as Superintending Prosecutor of Tokyo High Public Prosecutors Office
7/2014 Took office as Prosecutor-General of Supreme Public Prosecutors Office
9/2016 Retired from the position of Prosecutor-General of Supreme Public Prosecutors Office
11/2016 Attorney at law, Special Counsel of Mori Hamada & Matsumoto
6/2017 Took office as Audit & Supervisory Board Member of the Company (current)
1/2023 Attorney at law, Special Counsel of Atsumi & Sakai (current)



Outside Audit & Supervisory Board Member
Tatsuro Kosaka

Number of Year (s) in Office 1 year
Number of Shares of the Company Held None
Important Concurrent Positions Held in Other Organizations Senior Advisor of Chugai Pharmaceutical Co., Ltd. Outside Director of Mitsubishi Electric Corporation Outside Director of Olympus Corporation

4/1976 Joined Chugai Pharmaceutical Co., Ltd.
10/2002 Took office as Vice President, General Manager of Corporate Planning Dept. of Chugai Pharmaceutical Co., Ltd.
10/2004 Took office as Senior Vice President, General Manager of Corporate Planning Dept. of Chugai Pharmaceutical Co., Ltd.
3/2005 Took office as Senior Vice President, Deputy Managing Director of Sales & Marketing Group of Chugai Pharmaceutical Co., Ltd.
7/2005 Took office as Senior Vice President, Head of Strategic Marketing Unit of Chugai Pharmaceutical Co., Ltd.
3/2008 Took office as Senior Vice President, Head of Lifecycle Management & Marketing Unit of Chugai Pharmaceutical Co., Ltd.
3/2010 Took office as Director, Executive Vice President of Chugai Pharmaceutical Co., Ltd.
3/2012 Took office as Representative Director, President & COO of Chugai Pharmaceutical Co., Ltd.
3/2018 Took office as Representative Director, President & CEO of Chugai Pharmaceutical Co., Ltd.
3/2020 Took office as Representative Director, Chairman & CEO of Chugai Pharmaceutical Co., Ltd.
3/2022 Took office as Senior Advisor (current)
6/2022 Took office as Audit & Supervisory Board Member of the Company (current)



Outside Audit & Supervisory Board Member
Mariko Matsumura

Number of Shares of the Company Held None
Important Concurrent Positions Held in Other Organizations Partner, Shinwa Sogo Law Offices Statutory Auditor of Fund Creation Group Co., Ltd. Outside Member of the Board of Meiji Holdings Co., Ltd. Outside Director of SODA NIKKA CO., LTD.

4/1988 Admitted to the bar in Japan as attorney at law (current)
Joined Braun Moriya Hoashi & Kubota
2/1984 Joined Ryudo Sogo Law Offices
1/2006 Joined Shinwa Sogo Law Offices as a Partner (current)
4/2022 Took office as President of Dai-ichi Tokyo Bar Association
6/2023 Took office as Audit & Supervisory Board Member of the Company (current)

Seven topics of focus and supervision by the Company's Directors and Audit & Supervisory Board Members of the Company
In order to achieve the growth strategies set out in the mid-term management plan, the following seven topics are defined as areas for focus and supervision by the Directors and Audit & Supervisory Board Members with respect to management of the Company.

Three pillars of growth strategies of the mid-term management plan	Growth Strategies Creating DANTOTSU Value					
	Value creation		Core business		Management foundation	
	1. Accelerate growth by means of innovation		2. Maximize earnings power		3. Enhance corporate resilience	
Topics on which Directors and Audit & Supervisory Board Members are to focus particular attention and supervision	Corporate Management	Sales & Marketing	Corporate Management	Sales & Marketing	Corporate Management	Legal Affairs & Compliance
	Innovative Technologies/DX Environments	Global	Finance/Economics	Global	Human Rights/Human Resources & Human Resource Development	Global

Topic	Reasons for selection and content
Corporate Management	The ability to oversee resource allocation across the Company's business segments holistically, and to identify investments in growth areas
Finance/Economics	The ability to identify and oversee "earnings power" in new and existing areas of business areas from a financial perspective
Innovative Technologies/DX Environments	The ability to oversee a positive cycle of improving profitability through innovation from technology (production development) and DX and through solving ESG issues, including environmental issues
Sales & Marketing	The ability to identify risks/opportunities in the external environment of our global, multi-site business
Human Rights/Human Resources & Human Resource Development	The ability to oversee the protection of human rights as it relates to all our business activities and the ability to identify measures to enhance the diversity of our human resource base
Legal Affairs & Compliance	The ability to oversee legal and compliance matters to support the sustainable growth of new and existing businesses
Global	The ability to anticipate and oversee risks/opportunities in global business development from a variety of perspectives (supply chain, geopolitics, etc.)

Skill matrix for Directors and Audit & Supervisory Board Members of the Company

This skill matrix presents categories of skills that the Board of Directors has deemed particularly worthy of focus and oversight by the respective Directors and Audit & Supervisory Board Members with respect to management of the Company, upon having taken into account the primary abilities and expertise of each individual.

	Name	Corporate Management	Finance/Economics	Innovative Technologies/DX Environments	Sales & Marketing	Human Rights/Human Resources & Human Resource Development	Legal Affairs & Compliance	Global	Reason for selection
Directors	Tetsuji Ohashi	●		●			●	●	• Has held various important positions in the production departments, and has served as President of the U.S. subsidiary and President of the Company. • He oversees overall governance as Chairman
	Hiroyuki Ogawa	●	●	●	●	●	●	●	• As President and CEO, he focuses on, and supervises, all aspects of achieving the Company's growth strategies
	Masayuki Moriyama			●	●			●	• Expertise in development, marketing, and product support • Served as President of the U.S. subsidiary, supervising the mining business
	Takeshi Horikoshi		●				●	●	• Has held key positions in the accounting and finance related departments • Hands-on experience in Europe
	Mitsuko Yokomoto						●	●	• Experience in the fields of human resources and general affairs, compliance and sustainability
	Takeshi Kunibe	●	●	●					• Knowledge and experience in the business world, including the field of finance and group company management
	Arthur M. Mitchell	●					●	●	• Knowledge and experience in the field of international legal affairs as an attorney
Audit & Supervisory Board Members	Naoko Saiki					●	●	●	• Knowledge and experience in the fields of international affairs, international law and economics
	Michitaka Sawada	●		●	●	●			• Experience in the business world, including global group corporate management and ESG management practices
	Yasuhiro Inagaki						●	●	• Knowledge and experience in legal affairs, business development relations, and corporate planning
	Terumi Sasaki			●				●	• Knowledge in the field of accounting and finance • Hands-on experience in Europe and the U.S.
	Kotaro Ohno						●	●	• Served as the Prosecutor-General of the Supreme Public Prosecutors Office, with knowledge and experience in the legal profession
	Tatsuro Kosaka	●		●	●				• Knowledge and experience in the business world as a top executive
Mariko Matsumura						●	●	• Knowledge and experience in the legal and compliance fields as an attorney	

● Outside: Outside Director, Outside Audit & Supervisory Board Member
● Independent: Director or Audit & Supervisory Board Member who meets the Company's independence standards and for whom the Company has submitted or plans to submit an Independent Director or Audit & Supervisory Board Member Notification to the Tokyo Stock Exchange (the Japanese stock exchange on which the Company's shares are listed).

For more information on Directors and Audit & Supervisory Board Members, please refer to the Annual Securities Report.

<https://www.komatsu.jp/en/ir/library/annual-security-report>

Directors and Audit & Supervisory Board Members

Executive Officers (Japan) (As of June 30, 2023)

Senior Executive Officer (Jomu)

President, Production Division
Korekiyo Yanagisawa

Supervising Legal, General Affairs & Compliance,
Safety & Health Care and Brand Strategy
Koichi Honda

President, Construction Equipment Marketing Division
Yasuji Nishiura

President, Construction Equipment Solution Division
GM, Business Reform Department,
Construction Equipment Solution Division
Keiko Fujiwara

President, Quality Assurance Division
Executive Officer
Masami Naruse

Chief Technology Officer (CTO)
President, Development Division
Taisuke Kusaba

Executive Officer

President, Smart Construction Promotion Division
Chikashi Shike

Awazu Plant Manager, Production Division
GM, Business Reform Department, Awazu Plant,
Production Division
Takashi Yasukawa

President, Information Strategy Division
Shinji Maeda

Vice President, Production Division
(Responsible for casting)
Norikatsu Nishiyama

Supervising Industrial Machinery Business
Chairman of the Board, Komatsu NTC Ltd.
Hidefumi Obikane

President, Service Division,
Construction Equipment Solution Division
Toru Sunada

President, Forest and Agriculture Business Division
Hiroyuki Umeda
GM, Manufacturing Engineering Development Center,
Production Division
Supervising Simultaneous Engineering Planning
Takayuki Furukoshi

President, Aftermarket Business Division,
Construction Equipment Marketing Division
Kenichi Sato

President, Parts & Reman Promotion Division,
Production Division
Naoyuki Sakurai

President, Defense Systems Division
Hiroaki Ohno

President, Japanese Domestic Marketing,
Construction Equipment Marketing Division
Chairman of the Board,
Komatsu Customer Support Japan Ltd.
Hideki Yoshizawa

President, Product Marketing Division
Terumasa Imajo

Vice President, Development Division
GM, Engine Technical Center, Development Division
Representative Director, President,
Industrial Power Alliance Ltd.
Masaki Shinohara

GM, Komatsu Economic Strategy Research Center

Responsible for Economic Security
Toshiro Okada

President, Procurement Division, Production Division
Goro Senda

Vice President, Japanese Domestic Marketing,
Construction Equipment Marketing Division
Representative Director, President,
Komatsu Customer Support Japan Ltd.
Atsushi Awai

Vice President, Development Division
Osamu Kitajima
Oyama Plant Manager, Production Division
Representative Director, President,
Komatsu Cummins Engine Co., Ltd.

Shinichi Araie
Osaka Plant Manager, Production Division
Norihiko Tanigawa

President, Sustainability Promotion Division
Yoshie Ideura

GM, Human Resources Department
GM, Global HR Unit, Human Resources Department
Masafumi Murakami

Ibaraki Plant Manager, Production Division
Seiichiro Harada

GM, Business Coordination Department
Kiyoshi Hishinuma

Executive Officers (Global) (As of June 30, 2023)

*Executive officers overseas concurrently serve as Global Officers.

North America

Senior Executive Officer (Jomu)

Chairman & CEO, Komatsu America Corp.
Rodney Schrader

Executive Officer

President and COO, Komatsu America Corp.
Kozo Okuda

Executive Vice President,
North America Chief Technology Officer (CTO), and
President, North America Engineering & Development,
Komatsu America Corp.
Technical Director, Komatsu Mining Corp.
Kosei Okamoto

Executive Vice President and CFO, Komatsu America Corp.
Gary Kasbeer

Vice President, Mining Business Division
President & CEO, Komatsu Mining Corp.
Peter Salditt

Executive Vice President & COO, Komatsu Mining Corp.
Nozomu Okamoto

Vice President, Mining Business Division
Technical Director, Mining Technology Solutions
Jun Taniguchi

Europe

Executive Officer

President and CEO, Komatsu Europe International N.V.
Tadashi Maeda

Chief Operating Officer, Komatsu Europe International N.V.
Göksel Güner

Asia/Oceania

Executive Officer

President Director,
PT Komatsu Marketing and Support Indonesia
Koji Yanagi

President & MD, Komatsu Australia Pty. Ltd.
Sean Taylor

China

Senior Executive Officer (Jomu)

Representative of All China Operations
Chairman, Komatsu (China) Ltd.
Takuya Imayoshi

Global Officers (As of June 30, 2023)

North America

President, Surface Mining, Komatsu Mining Corp.
John Koetz

President & CEO, Hensley Industries, Inc.
John Fiedler

South America

CEO, Komatsu Cummins Chile Ltda.
CEO, Komatsu Holding South America Ltda. (KHSA)
Darko Louit

Europe

President & MD, Komatsu UK Ltd.
Paul Blanchard

President and MD, Komatsu Germany GmbH
Ansgar Thole

Executive Vice President and President,
Construction Division, Komatsu Germany GmbH
Ingo Büscher

President & MD, Komatsu Italia Manufacturing S.p.A.
David Bazzi

Africa

Executive Officer

President & MD, Komatsu South Africa (Pty) Ltd.
Michael Blom

Asia/Oceania

President, Bangkok Komatsu Co., Ltd.
Charoen Ruengwilai

President and CEO, PT Komatsu Indonesia
Jamalludin

China

President and CEO, Komatsu (China) Ltd.
Chunjiang Fei